

Americans Look North For Cheap Drugs

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The customers are lining up at Discount Drugs of Canada. They're all looking to save money on medicine - only this isn't a pharmacy, and it isn't in Canada.

As **CBS News Correspondent Cynthia Bowers** reports, a non-descript storefront in Delray Beach, Fla. is the conduit between American consumers and Canadian pharmacists who can fill their prescriptions for a fraction of what it costs here at home.

Earl Turow says demand is so high he hopes to open dozens of franchises nationwide.

"People have very hard choices to make," says Turow. "For example, whether to pay their rent on time or at all or take their medicine - whether to eat full meals or cut their pills in half."

Which wouldn't be possible were it not for pharmacists like Daren Jorgenson. Inside an unassuming building in a rundown part of Winnipeg, Jorgenson runs a multi-million dollar Internet drug store, processing orders, filling prescriptions, and mailing medicine to people all across the country.

"Right now, we're servicing about 200,000 Americans, and we estimate the industry as a whole is nearing about 2 million Americans."

But the discounts aren't risk-free. In October, **CBS News** reported on the growing number of scam artists who are getting in line and online to take advantage of the multi-million dollar business.

"U.S. consumers really don't know when they look at a Web site, if it's a legitimate, bona fide pharmacy they're dealing with," said Barbara Wells of the National Association of Pharmaceutical Regulatory Authorities.

But for people like Bill Carson, who's been getting his prescriptions from Canada for the last six months, it's worth the risk.

"It cuts the annual expenditure from \$5,000 to \$6,000 to about \$2,500 to \$3,000," says Carson.

For years, Americans living along the border have been quietly crossing into Canada to get prescription drugs at discount prices. But now that operations like this one have made it possible for anybody to do it, billions of dollars are suddenly at stake and the drug companies are crying foul.

Pharmaceutical giant Glaxo Smith Kline is leading the charge. Glaxo, manufacturer of Paxil and Advair, sent a letter demanding Canadian pharmacies prove its drugs aren't being shipped to Americans or be cut off from future deliveries.

Glaxo cites safety concerns and maintaining the drug supply for Canadian patients, but Jorgenson's suspects there's more to it than that.

"Those people answer to shareholders," Jorgenson says. "I think they would have a PR nightmare if they went to a woman in Iowa who's getting her breast cancer medication and told her she can't have it so they're coming after us."

Just yesterday Glaxo backed off its threat, but that doesn't mean the problem has gone away.

"I'm often informed that the U.S. system, user pay system, is far more efficient than our socialized system," says David Collins. "If that's the case why do they have to come to Canada?"

Because as piles of prescriptions bound for the states clearly show, many people have decided it's their best chance at staying on track with their medication and their money.

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